OCTA

February 19, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

For

Subject: Approval of Local Transportation Fund Fiscal Year 2026-27 Apportionment Estimates

Overview

The Orange County Transportation Authority, as the transportation planning agency and county transportation commission for Orange County, is responsible for developing estimates used in apportioning revenues earned and deposited in the Orange County Local Transportation Fund. Transportation Development Act regulations require that the apportionments for fiscal year 2026-27 be determined, and prospective claimants be advised of the amounts.

Recommendation

Approve the Local Transportation Fund fiscal year 2026-27 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund.

Background

The Transportation Development Act (TDA) of 1971 established a funding source dedicated to transit and non-transit-related projects. The funding source consists of two parts: the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STAF). The LTF is derived from a one-quarter cent general sales tax collected statewide. LTF revenues are collected by the California Department of Tax and Fee Administration and returned monthly to the local jurisdictions, such as Orange County, based on the volume of sales during each month. The STAF is generated from the sales tax on diesel and funded through the Public Transportation Account. STAF revenues are appropriated to local agencies by formula on a quarterly basis. The Orange County Transportation Authority (OCTA) is the Transportation Planning Agency responsible for the allocation of the LTF within Orange County. The LTF funds are deposited in the Orange County LTF account at the Orange County Treasury and administered by the Orange County Auditor-Controller (OCAC). Upon instructions from OCTA, LTF funds are distributed by the OCAC among the various administrative, planning, and program apportionments as specified in the TDA.

Discussion

The TDA Statutes and California Code of Regulations guidelines provide instructions on how apportionments should be calculated and allocated. Prior to March 1 of each year, OCTA must determine and advise all prospective claims of their apportionments from the LTF for the following fiscal year (FY). OCTA makes this determination by using the estimate of funds available for apportionment and allocation furnished by the OCAC.

In Orange County, OCTA has designated the Orange County Transit District (OCTD) as the public transportation services operator and the Consolidated Transportation Services Agency. Therefore, OCTD is the claimant for Article 4 and 4.5 funds, which are used primarily to fund bus operations.

OCTA provides LTF funds to other claimants including the Southern California Association of Governments (SCAG) and Laguna Beach Municipal Transit Lines (LBMTL). SCAG is eligible to receive up to three-fourths of one percent of annual revenues for transportation planning. The LBMTL, a department within the City of Laguna Beach, is eligible to receive funding from the LTF in Orange County for providing public transportation services throughout the City of Laguna Beach. The estimate of LTF revenues for FY 2026-27 has been estimated by the OCAC at $224,294,949.

The FY 2026-27 apportionment is summarized in the following table on the next page:

LTF Revenues	
Estimated FY 2026-27 Sales and Use Tax Receipts	$224,294,949.00
Article 3 apportionments:	
Orange County Auditor-Controller – Administration	$6,059.17
Orange County Transportation Authority – County Transportation Commission Administration	174,146.00
Orange County Transportation Authority – County Transportation Commission Planning	5,046,636.35
Southern California Association of Governments – Regional Planning	1,682,212.12
Subtotal – Article 3 funding	$6,909,053.64
Articles 4 and 4.5 apportionments:	
Orange County Transit District – Consolidated Transportation Service Agency Funding – Article 4.5	$10,869,294.77
Orange County Transit District – Public Transit Funding – Article 4	205,036,189.49
Laguna Beach Municipal Transit Lines – Public Transit Funding – Article 4	1,480,411.10
Subtotal – Articles 4 and 4.5 funding	$217,385,895.36
Total funds apportioned	$224,294,949.00

Summary

Staff recommends approval of the LTF FY 2026-27 apportionment estimates. Staff also recommends the Board of Directors authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County LTF for FY 2026-27.

Attachment

None.

Prepared by:

Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:

Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649